



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
JACKSONVILLE DISTRICT CORPS OF ENGINEERS
PANAMA CITY REGULATORY OFFICE
1002 WEST 23rd STREET, SUITE 350
PANAMA CITY, FLORIDA 32405-3648

September 9, 2011

Regulatory Division
North Permits Branch
SAJ-2008-00490 (IP-GAH)

Mr. John Elnitsky
Vice President
Nuclear Plant Development
Progress Energy Florida, Inc.
Post Office Box 14042
St. Petersburg, Florida 33733

Dear Mr. Elnitsky:

This letter is in response to your letter to the U.S. Army Corps of Engineers (Corps) dated July 22, 2011, and to meetings and teleconferences, in which representatives of Progress Energy Florida (PEF) and the Corps participated on July 14 & 28, 2011 and August 17 & 26, 2011.

In response to item #1 of your letter, the Corps will require that conservation easements be placed only over wetlands on the project site, support facilities, and elsewhere, which are specifically used for compensatory mitigation, as identified in an acceptable compensatory mitigation plan, as may be required by a Department of the Army (DA) permit for this project, if issued. Wetlands remaining on the project site and support facilities, having undergone evaluation by the Corps for avoidance and minimization of impacts by the time of the permit decision, will be subject to the following special condition, if a DA permit is issued:

Wetland Avoidance/Minimization Areas: The Permittee shall avoid the remaining acre(s) of onsite wetlands, (Attachment /as detailed on Drawings through of). These natural wetland areas were avoided as part of the permit application review process and therefore will not be disturbed by any dredging, filling, mechanized land clearing, agricultural activities, or other construction work whatsoever. The Corps reserves the right to deny review of any requests for future impacts to these natural wetland areas.

In response to item # 2 of your letter the Corps is continuing its evaluation of groundwater withdrawal for plant operations at the Levy Nuclear Plant (LNP) site, including review of the special conditions proposed by PEF and other information PEF has provided to the Corps in regard to this issue. As agreed by the Corps and PEF, additional discussion was initiated with a meeting of technical representatives from PEF and the Corps, which was held in Jacksonville, Florida on July 28. The Corps intends to continue coordinating with PEF in regard to this item.

In response to item #3 of your letter the Corps agreed to a series of meetings, the first having taken place in Panama City, Florida on August 26, 2011. Representatives of PEF and the Corps have agreed to dates and times for three additional meetings in September, October and November of this year. The Corps appreciates the effort that PEF has made in providing a detailed schedule of deliverables to the Corps in response to our request for information and documents in our June 23, 2011 letter to PEF.

As was discussed at the August 26th meeting, the Corps is requesting additional information, which is required for continuing our evaluation for the determination of the Least Environmentally Damaging Practicable Alternative (LEDPA), and our evaluation of avoidance and minimization of wetland impacts on the project site. For these evaluations the project site includes the north and south parcels, and PEF's more recently acquired parcels for access to the proposed plant facility and training.

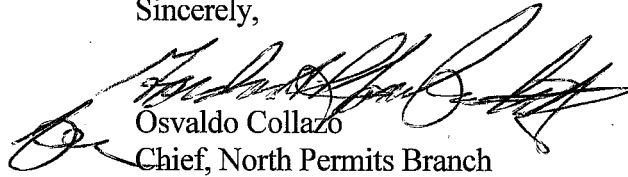
1) PEF has requested that the Corps issue a DA permit that would be valid for twenty years for the construction of LNP and its various associated components. To enable the Corps to assure that the appropriate scope of the proposed project has been identified for the alternative sites analysis, and for evaluation of minimization of wetland impacts on the project site, please verify whether PEF has identified, or will identify in the submittals identified in the schedule of deliverables, the total plan of development for the proposed project and its constituent components. In addition, please provide information as to potential future use of the project site beyond the twenty-year timeframe.

2) For our LEDPA evaluation the Corps needs additional information in regard to water supply alternatives for the provision of water for LNP operations. Specifically, the Corps requires information, and at a minimum a conceptual, comparative analysis of the potential impacts of the water supply alternatives on the environment, especially potential impacts on the aquatic environment. The State of Florida's Conditions of Certification, as modified on January 25, 2011, identified a list of potential water supply alternatives on page 43: seawater desalination, brackish surface or groundwater, reclaimed water, stormwater, and any other water supply source designated as non-traditional.

The Corps appreciates your cooperation with us in providing the information we require to continue our evaluation of your DA permit application.

Questions regarding the this letter should be directed to the Corps project manager, Mr. Don Hambrick, at the letterhead address, by electronic mail at gordon.a.hambrick@usace.army.mil, or by telephone (850-763-0717 ext. 25).

Sincerely,



Osvaldo Collazo
Chief, North Permits Branch

Copy furnished (by electronic mail):

NRC, Douglas Bruner

EPA, David Pritchett

EPA, Paul Gagliano

PEF, John Hunter

PEF, Paul Snead